The Federal Pell Grant Program provides need-based grants (Pell Grants) to low-income undergraduate and certain post-baccalaureate students. Grant amounts are dependent on: the student’s expected family contribution; the cost of attendance (as determined by the institution); the student’s enrollment status (full-time or part-time); and whether the student attends for a full academic year or less. Students may not receive Federal Pell Grant Program funds from more than one school at a time. The maximum award as of July 1, 2018, is $6095 (for the 2018–2019 award year). The maximum expected family contribution for purposes of determining eligibility for a Pell Grant is $5486 (for the 2018–2019 award year).

A number of changes to Pell awards became law in 2012, including a change to the minimum Pell Grant award calculation. The law establishes the minimum federal Pell Grant award for a student at 10% of the maximum award amount for the award year. In addition, it eliminates the provision that permitted a student who would be eligible to receive a grant of between 5% and 10% of the award year’s maximum award to receive an award of 10% of the maximum. As a result, beginning in the 2012–2013 award year, students will not receive a Pell Grant if they are not eligible for at least 10% of the maximum award for that year.

Another major change effective for the 2012–2013 award year is a reduction in the duration of a student’s eligibility to receive Pell Grants, from eighteen semesters to twelve semesters (or its equivalent). This provision applies to all students eligible for federal Pell Grants effective for the 2012–2013 award year, including those close to completion. The calculation of the duration of a student’s eligibility includes all years of the student’s receipt of federal Pell Grant funding.

The Department issued guidance in May 2013 on calculation of Pell Grant lifetime eligibility. According to the guidance, if a school has information that indicates that the student is not eligible for all or part of a grant disbursement because of the lifetime eligibility limit, the school must cancel or reduce as appropriate the Pell Grant award. The school is liable for the overpayment if it disburse funds beyond the student’s eligibility because it failed to follow the regulatory and operational procedures. If the school was in compliance with disbursement and reporting requirements, the student would be liable for the overpayment. The Department also issued guidance in June 2013 regarding the process schools must use to dispute the accuracy of a student’s reported Pell Grant lifetime eligibility limit.

In June 2017, the Department announced a change to the Pell program that makes year-round Pell Grants available. The change allows an eligible student to receive up to 150% of the Pell Grant scheduled award beginning with the 2017–2018 year. To be eligible for these additional funds, the student must be otherwise eligible to receive Pell Grant funds for the payment period and must be enrolled at least half-time, in accordance with the regulations for the payment period for which the student receives the additional funds in excess of 100% of the scheduled award. For a student who is eligible for the additional funds, the institution must pay the student all of the student’s eligible Pell Grant funds, up to 150% of the student’s scheduled award for the award year. Note that the provisions of the new law state that any Pell Grant received will be included in determining the student’s duration of eligibility and lifetime eligibility used. The new law also applies to the Iraq and Afghanistan Service Grant Program.

In December 2014, Congress enacted the Consolidated and Further Continuing Appropriations Act of 2015, which established the “Career Pathway” program as a new avenue toward eligibility for Title IV financial aid, including Pell Grant eligibility, for students without a high school diploma. The Career Pathway program allows a student who does not have a high school diploma (or recognized equivalent) to be eligible for Title IV assistance if the student is enrolled in an “eligible career pathway program” as defined in section 484(d)(2) of the Higher Education Act (HEA), and if the student either passes an approved and properly administered “ability to benefit” test or satisfies one of the other ability-to-benefit alternatives defined in section 484(d)(1) of the HEA. Although this was not originally the case, students enrolling in an eligible Career Pathway program may receive full Pell Grant awards based on the regular disbursement schedule, with a maximum annual award of $6095 for the 2018–2019 award year. The administrative discharge programs apply to loans, not grants. However, the provision eliminating the statute of limitations for collections refers to both loans and grant overpayments. Furthermore, the collection powers in the Debt Collection Improvement Act, discussed in Chapter 9, apply to all debts owed to the government or claims owed.

In July 2012, the Department announced a five-year demonstration study that focuses on the effects of expanded access to Pell Grants on students’ employment and earnings. The first experiment will relax the prohibition on receipt of Pell Grants by students with bachelor’s degrees. The second experiment will reduce the minimum duration and intensity levels of programs that Pell Grant recipients must participate in from fifteen weeks with 600 minimum clock hours to eight weeks with 150 minimum clock hours. Each experiment will operate through a set of Pell Grant experiment (PGE) schools that provide education and training services that qualify as PGE programs.
Footnotes


105 [105] U.S. Dep’t of Educ., Dear Colleague Letter, GEN-12-01, Changes Made to the Title IV Student Aid Programs by the Recently Enacted Consolidated Appropriations Act, 2012 (Jan. 18, 2012).

106 [106] Id. see also U.S. Dep’t of Educ., Dear Colleague Letter, GEN-13-14, Federal Pell Grant Duration of Eligibility and Lifetime Eligibility Used (May 16, 2013).

107 [107] U.S. Dep’t of Educ., Dear Colleague Letter, GEN-12-01, Changes Made to the Title IV Student Aid Programs by the Recently Enacted Consolidated Appropriations Act, 2012 (Jan. 18, 2012).


114 [114] See U.S. Dep’t of Educ., Dear Colleague Letter, GEN-16-09, Changes to Title IV Eligibility for Students Without a Valid High School Diploma Who Are Enrolled in Eligible Career Pathway Programs (May 9, 2016).


116 [116] See generally Ch. 10 [5], infra.


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